

Federal Communications Commission

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)
)
Annual Assessment of the Status of Competition) MB Docket No. 03-172
in the Market for the Delivery of Video)
Programming)

ERRATUM

Released: February 2, 2004

By the Chief, Media Bureau

1. On January 28, 2004, the Commission released its Tenth Annual Report to Congress in the above-referenced proceeding.¹ The Report was issued pursuant to Section 628(g) of the Communications Act of 1934, as amended (Communications Act), requires the Commission to report annually to Congress on the status of competition in the market for the delivery of video programming.² This erratum corrects the following errors in the released Report.

2. The first five sentences of paragraph 143 of the Report are amended to correct and clarify several reported statistics to read as follows.

143. Four of the top six cable MSOs (i.e., Comcast, Time Warner, Cox, and Cablevision) hold ownership interests in satellite-delivered national programming networks.⁵⁸⁴ One or more of these companies has an interest in 50 of the 110 vertically-integrated national satellite-delivered programming networks.⁵⁸⁵ Using the same methodology as in past Reports,⁵⁸⁶ Time Warner has an ownership interest in 62, or 18% of all national programming networks (counting each of iN Demand's 35 multiplexed channels separately); Cox, holds an ownership interest in 48, or 14% of all national programming networks (counting each of iN Demand's 35 multiplexed channels separately); Comcast has an ownership interest in 41 programming networks, or 12% of all national programming networks (counting each of iN Demand's 35 multiplexed channels separately); and Cablevision, through its programming subsidiary, Rainbow Media, has an ownership interest in five national programming networks, or two percent of all national programming networks. Liberty Media is the only other cable operator

¹ *Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming*, FCC 04-5 (rel Jan 29, 2004) (Report)

² Communications Act of 1934, as amended, § 628(g), 47 U.S.C. § 548(g).

that owns national programming networks.⁵⁸⁷ It has interests in 41 national networks, or 12% of all national programming networks (counting each of Canales ñ's six multiplexed channels separately)⁵⁸⁸

⁵⁸⁴ We derive our information concerning vertically-integrated networks from various sources, such as NCTA's listings in its *Cable Developments* publication, comments filed in this proceeding, various publications, and SEC filings. We recognize that our calculations may not be perfectly accurate because the ownership issue is complex. For example, our tables do not reflect that Vulcan Programming, Inc., an entity controlled by Paul Allen, owns a majority interest in Charter Communications and approximately 31% of Oxygen Network. We also note, as an example, that Liberty holds approximately 19% interest in News Corporation, which is the owner of cable networks operated by the Fox Cable Networks Group. See Letter from William M. Wiltshire, Counsel for News Corp., to Marlene H. Dortch, Secretary, FCC, MB Docket No. 03-124 (Oct. 6, 2003). In addition, Charter Holding Company will receive unregistered shares of Oxygen Media common stock on, or prior to, February 2, 2005. William Savoy, a director of Charter and Charter Holding Company sits on Oxygen Network's board of directors. Mr. Savoy is also an officer and director of Vulcan Programming and Vulcan Cable III.

⁵⁸⁵ The top six MSOs are Comcast, Time Warner, Charter Communications, Cox Communications, Adelphia Communications, and Cablevision Systems. See NCTA, *Cable Operators*, *Cable Developments* 2003, at 28.

⁵⁸⁶ Traditionally, the Commission has counted each channel of several multiplexed networks separately (i.e., six channels for Canales ñ, 35 channels for iN DEMAND, and 33 channels TVN Entertainment Corporation) for the total number of national networks and these calculations. See Appendix C, Tables C-1 and C-2. We use this methodology again this year for consistent comparisons over the last decade. We recognize, however, that an alternative methodology, which counts each multiplexed network once, may be more consistent with industry practice. Under this alternative method, the total number of national networks is 268. On this basis, Time Warner has an ownership interest in 28 networks, or 10% of all national networks; Cox holds an ownership interest in 14 networks or 5%; Comcast has an ownership interest in seven networks or 3%; and Cablevision holds an ownership interest in five networks or 2%.

⁵⁸⁷ We include Liberty Media's programming networks in our determination of the share of national programming networks that are vertically integrated because it is covered by the provisions of the 1992 Act and the Commission's rules relating to program access, channel occupancy, and program carriage. See 47 U.S.C. § 548; 47 C.F.R. §§ 76.1000-76.1003. These rules apply to any party that owns a cable system and a satellite-delivered national programming network. Liberty Media remains a cable operator through its ownership of Cablevision of Puerto Rico and, as such, it is appropriate to include its networks in calculating the share of vertically-integrated national programming networks. If we did not count Liberty Media as being vertically integrated, the ratio of vertically-integrated networks would increase from 20.6% in 2002 to 24.8% in 2003. See Appendix C, Table C-5.

⁵⁸⁸ If we only count multiplexed networks once, Liberty Media holds an ownership interest in 36 networks or 13% of all national networks.

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